



The President's Daily Brief

May 31, 1975

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Top Secret

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PORTUGAL

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In Lis-	25X1
bon, the Socialists and the Armed Forces Movement have reached an agreement that appears to ease tension between them.	25X1
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We have seen given that consucting continues	
We have seen signs that separatist sentiment s on the rise in the Azores.	25X1 25X1
Of the approximately 1,000 ortuguese army troops stationed in the islands,	25X1
early all are Azorean natives these troops might be joined by the oughly 600-man police and Fiscal Guard forces.	225X1 25X1
Opposition would likely come from navy and air orce unitsnumbering about 200 and 650, respectivelywhich are principally composed of mainland roops and officers. The air force contingent ould be especially critical, for it controls Lajes	
irfieldwhich ould be vital to reinforcing the islands quickly. he sailing time from Lisbon to the Azores is 60 ours.	25X1



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The agreement between the Socialists and the Armed Forces Movement was reached at a meeting in Lisbon last night. A statement issued by the Revolutionary Council said military leaders recognize "distortions" in Portugal's political structure and promise to correct them—a concession to the Socialists who have been demanding that the army curb the disproportionate influence of the Communist Party. The Socialists, in return, agreed to end their boycott of cabinet sessions.

No mention was made in the Revolutionary Council's statement of the closing of the Socialist daily newspaper Republica, the issue that triggered the Socialist boycott. Information Minister Jesuino had previously stated that the paper will be opened as soon as the Socialist management requests. Even if the government allows the paper to reopen, its editor is convinced Communist printers will forcibly prevent its being published.

The Socialists should take heart from the opening of the constituent assembly on Monday. The Socialists control nearly half the seats, and their candidate will probably be elected assembly president. The assembly will provide a public forum for the moderate political parties, even though the Armed Forces Movement will make certain the assembly stays well within acceptable limits.

LAOS

Vientiane remains calm, at least on the surface.

American officials are going about their normal duties at the USAID and defense attaché compound, but--in contravention of the terms of an agreement concluded with Pathet Lao ministers and leftist student demonstrators earlier this week--some members of the capital's joint police force remain on patrol inside the compound. Most of these police are Pathet Lao.

The evacuation of American dependents and other nonessential personnel is continuing. As of May 30, some 153 official and 109 nonofficial American personnel were still in Vientiane. The US mission will be down to about 50 by the end of next week.

The Pathet Lao, meanwhile, are continuing to strengthen their troop position in Vientiane. According to officials of the

there may now be more than 5,000 Lao communist troops in the capital, and their number appears to be increasing daily. In addition, there are reports that a Pathet Lao battalion, along with a dozen light tanks, is located on the capital's northern outskirts, and that still another battalion is situated near Vientiane's southeastern suburbs.

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LEBANON

Fighting--apparently initiated by extreme leftists--resumed briefly in Beirut yesterday. Overall, however, the joint Lebanese-Palestinian patrols have been increasingly effective in separating Phalangist and fedayeen forces.

Prime Minister - designate Karami, meanwhile, completed his formal consultations with political and religious leaders on Thursday. He is said to favor a broadly representative government composed of technocrats who are neither members of parliament nor closely identified with the country's major political parties. Such a group would enhance his personal power.

President Franjiyah reportedly wants an enlarged parliamentary cabinet drawn from all political factions. Such a body would be more likely to act as a check on Karami, thereby preserving greater authority for Franjiyah.

Socialist leader Jumblatt insists that no representatives of the Phalange be included in the new cabinet. He will probably back down if his own Progressive Socialist Party is offered strong representation.

These differences may delay formation of a government for several days.

ITALY

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NOTES

The 60th conference of the International Labor Organization opening next week in Geneva may grant observer status to the Palestine Liberation Organization.

Much of the support for the Palestinians comes from an agreement reached last year between the Arab League and the Organization of African Unity to back the demands of national liberation movements for observer status in international organizations. Government, employers, and workers are represented separately within the national ILO delegations. Foreign delegations will be especially concerned over the reaction of the US workers' delegation—made up of AFL-CIO members—inasmuch as the foreigners are aware that the AFL-CIO has strongly opposed any acceptance of the PLO.

Panamanian chief of state Torrijos has relieved Juan Tack as foreign minister, but Tack is to continue full-time as chief Panamanian negotiator on the canal treaty.

Top government officials have been apprehensive about the prospects for an early conclusion to the negotiations and the apparent strength of opposition in the US Senate to a new treaty. Torrijos probably acted to demonstrate the high priority his administration places on securing such a treaty and on its strong desire for the talks to resume. Jaime Arias, a prominent Panama City lawyer and canal negotiator, is in line to become foreign minister.

The expected resignation of Australia's moderate Defense Minister Lance Barnard will complicate the Labor government's already difficult parliamentary position.

The front-runner for the defense job appears to be left-winger William Morrison, now science minister. Although Morrison has questioned Australia's alliance with the US

ister Whitlam has defended them and is expected to assure their tenure.

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